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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

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SUSAN BITTER SMITH - Chairman

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AZ CORP COMMISSION
DOCKET CONTROLIN THE MATTER OF THE APPLICATION OF
GRANITE MOUNTAIN WATER COMPANY,
INC. FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02467A-14-0230

PROCEDURAL ORDER

(Setting Procedural Conference)

BY THE COMMISSION:

On June 30, 2014, Granite Mountain Water Company, Inc. ("Granite Mountain") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase. The application noted that Granite Mountain's affiliate Chino Meadows II Water Company ("Chino Meadows II") also filed a rate application in a separate docket (Docket No. W-02370A-14-0231) on the same day. Granite Mountain requested that its application be processed and heard concurrently with Chino Meadows II's application in order to assure that cost allocations will be consistent in the two cases. To the extent necessary to accommodate the joint processing of the two applications, Granite Mountain waived the timeclock requirements set by the Commission's rules.

On July 24, 2014, the Commission's Utilities Division ("Staff") filed a letter indicating that Granite Mountain's application had not met the sufficiency requirements outlined in Arizona Administrative Code R14-2-103.

On August 8, 2014, Staff filed a Notice of Deficiency.

Granite Mountain filed amendments to its application on the following dates: August 25, 2014; September 8, 2014; September 17, 2014; and September 18, 2014.

On September 19, 2014, Staff filed a letter indicating that with the filed amendments, the application had met the Commission's sufficiency requirements.

On September 23, 2014, a Procedural Order was issued setting a Procedural Conference for the purpose of allowing the parties to discuss the preparation for and conduct of the proceeding in this

1 docket concurrently with the proceeding on Granite Mountain's sister company Chino Meadows II's
2 rate application.

3 On October 2, 2014, a procedural conference convened as scheduled. Granite Mountain and
4 Staff appeared through counsel and discussed procedural matters.

5 On October 7, 2014, a Rate Case Procedural Order was issued setting a hearing to commence
6 on May 5, 2015, and establishing associated procedural deadlines to accommodate the parties' requests
7 for extended discovery timeframes.

8 On December 10, 2014, Granite Mountain filed an Affidavit of Publication.

9 On December 12, 2014, Granite Mountain filed an Affidavit of Customer Notice.

10 On January 14, 2015, Tim Carter filed a Motion to Intervene, which was granted by Procedural
11 Order issued January 30, 2015.

12 On February 11, 2015, Staff and Granite Mountain jointly filed a Stipulation to Extension for
13 Time requesting that the hearing be continued to July 7, 2015.

14 No objection to the joint request was filed.

15 On February 17, 2015, a consumer comment in opposition to the rate application was filed.

16 On February 18, 2015, by Procedural Order, the hearing was continued to July 14, 2015, and
17 associated procedural deadlines were also continued. Because the May 5, 2015 hearing date had been
18 publicly noticed, that date was reserved for public comment.

19 On April 27, 2015, a consumer comment in opposition to the rate application was filed.

20 On April 28, 2015, a consumer comment in opposition to the rate application was filed.

21 On April 29, 2015, a petition in opposition to the rate application was filed. The petition
22 included 54 signatures.

23 On May 5, 2015, the hearing was convened for the purpose of taking public comment. Granite
24 Mountain and Staff appeared through counsel. Intervenor Mr. Carter did not appear. One member of
25 the public appeared and provided public comment for the record.

26 On May 8, 2015, Staff and Granite Mountain filed their Second Stipulation to Extension of
27 Time ("Stipulation"). The Stipulation stated that the schedule set by the February 18, 2015, Procedural
28 Order was based in significant part on the progression of certain infrastructure projects toward

1 completion, with supporting documentation furnished to Staff by April 1, 2015; that the anticipated
2 construction schedule had not been met; and that Staff required additional time to complete its rate case
3 analysis and testimony. Staff and Granite Mountain proposed a new hearing date of August 18, 2015.

4 On May 11, 2015, Mr. Carter docketed a filing which, according to the filing, included the
5 major points of his planned testimony at the hearing.

6 On May 15, 2015, by Procedural Order, the continuance requested by the Stipulation was
7 granted, and the hearing was continued to September 24, 2015.

8 On July 15, 2015, Staff filed the direct testimony of its witnesses Teresa B. Hunsaker and
9 Dorothy Hains.

10 On August 11, 2015, Granite Mountain filed a Motion to Extend Filing Deadline of its rebuttal
11 testimony.

12 On August 17, 2015, Granite Mountain filed the rebuttal testimony of its witness Ray L. Jones.

13 On September 10, 2015, Staff filed the surrebuttal testimony of its witnesses Teresa B.
14 Hunsaker and Dorothy Hains.

15 On September 16, 2015, Staff filed the supplemental surrebuttal testimony of its witness Teresa
16 B. Hunsaker.

17 On September 18, 2015, Granite Mountain filed the rejoinder testimony of its witness Ray L.
18 Jones.

19 On September 24, 2015, the hearing on the application convened as scheduled. Granite
20 Mountain and Staff appeared through counsel and provided testimony through their witnesses.
21 Intervenor Mr. Carter did not appear. No members of the public appeared. At the hearing, Granite
22 Mountain and Staff agreed to allow time for the presentation of additional evidence and testimony on
23 the issue of a storage tank which was under construction at that time.

24 On November 30, 2015, Granite Mountain filed Post-Hearing Exhibits A-3 and A-4.

25 Also on November 30, 2015, Granite Mountain filed its Tank Construction Report.

26 On December 8, 2015, Granite Mountain filed its Second Tank Construction Report and
27 Request for Procedural Conference.

28 ...

Accordingly, a Procedural Conference should be set to allow the parties an opportunity to discuss appropriate procedural deadlines for the continuation of the hearing in this matter.

IT IS THEREFORE ORDERED that a **procedural conference shall be held in this matter on December 17, 2015, at 2:00 p.m., in Hearing Room No. 1**, at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007. The purpose of the procedural conference is to allow the parties an opportunity to discuss appropriate procedural deadlines for the continuation of the hearing in this matter.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 9th day of December, 2015.

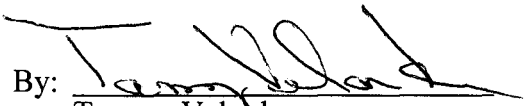

TEENA JIBILIAN
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 9th day of December, 2015 to:

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